

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Priority Mail Express, Priority Mail &  
First-Class Package Service Contract 76 (MC2021-129)

Docket No. CP2021-134

Negotiated Service Agreement

PUBLIC REPRESENTATIVE COMMENTS ON  
THE UNITED STATES POSTAL SERVICE NOTICE OF  
AMENDMENT TO PRIORITY MAIL EXPRESS, PRIORITY MAIL & FIRST-CLASS  
PACKAGE SERVICE CONTRACT 76

(April 4, 2022)

## INTRODUCTION

The Public Representative hereby provides comments pursuant to the Commission's notice initiating these dockets.<sup>1</sup> In that notice, the Commission established the above-referenced docket to consider matters from interested persons, including the undersigned Public Representative, on the Postal Service's intent to amend Priority Mail Express, Priority Mail, and First-Class Package Service Contract 76 (Contract) on the grounds that the amended Contract continues to meet the requirements of 39 U.S.C. § 3633.<sup>2</sup> The Notice of Amendment included redacted copies of the amendment (Amendment) and supporting financial models. Unredacted versions of these documents were also filed under seal.

On September 2, 2021, the Commission issued Order No. 5974 approving the addition of Priority Mail Express, Priority Mail & First-Class Package Service Contract 76 to the competitive product list.<sup>3</sup> In its analysis, the Commission found that the Contract met the requirements set forth in 39 U.S.C. § 3642 for classification as a

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<sup>1</sup> Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, March 28, 2022.

<sup>2</sup> USPS Notice of Amendment to Priority Mail Express, Priority Mail & First-Class Package Service Contract 76, March 25, 2022 (Notice of Amendment).

<sup>3</sup> Docket Nos. MC2021-129 and CP2021-134, Order Adding Priority Mail Express, Priority Mail & First-Class Package Service Contract 76 to the Competitive Product List, September 2, 2021 (Order No. 5974).

competitive product. Order No. 5974 at 3-4. The Commission also found that the prices offered in the Contract satisfied the requirements of 39 U.S.C. § 3633. *Id.* at 5.

The Amendment changes the terms in Sections I.L and IV. Amendment at 1. The effective date of the Contract is one business day following the day on which the Commission issues all necessary regulatory approval. Notice of Amendment at 1. No change was made to the original expiration date.

## COMMENTS

The Public Representative has reviewed Priority Mail Express, Priority Mail, and First-Class Package Service Contract 76 and the Postal Service's Amendment. Based upon that review, the Public Representative recommends Commission approval of the Amendment to Priority Mail Express, Priority Mail, and First-Class Package Service Contract 76. It appears that the contract as amended should continue to generate sufficient revenues to cover costs and thereby satisfies the standards of 39 U.S.C. § 3633(a).

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial model, it appears the prices as amended should continue to generate sufficient revenues to cover costs during the next year. In addition, the Postal Service must file revenue and cost data for Priority Mail Express, Priority Mail, and First-Class Package Service Contract 76 in future Annual Compliance Reports. This data will permit the Commission to annually review the financial results for Priority Mail Express, Priority Mail, and First-Class Package Service Contract 76 in future Annual Compliance Determination (ACD) reports for compliance with 39 U.S.C. § 3633(a).

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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